

FISCAL NOTE - CAPTION BILL

SB 840 - HB 689

May 30, 2001

CAPTION BILL: Fiscal note reflects the amendment filed to lift bill from Senate Clerk's desk (007419). The fiscal note reflects the impact for such amendment.

SUMMARY OF BILL:

- Allocates 50% of all current and future revenues received pursuant to the Master Settlement Agreement be deposited in the Health Reserve Account.
 - Of the amount allocated to the health reserve account, 50% of that amount shall be transferred to the Tobacco Settlement Health Endowment Fund, created in this act.
 - This money shall constitute a trust and the corpus shall not be expended for any purpose.
 - The remaining 50% allocated to the health reserve account shall be expended in accordance with appropriations made by the general assembly consistent with this act.

Creates the Tennessee Tobacco Settlement Health Fund Act

- Establishes the Tennessee Tobacco Settlement Health Fund Board which includes the following members: State Treasurer, Commissioner of Finance and Administration, Commissioner of Health, Commissioner of Education, 6 persons appointed by the Speaker of the Senate, 6 persons appointed by the Speaker of the House of Representatives. The Commissioner of Health shall serve as an advisory nonvoting exofficio member.
 - Members of the board shall serve without compensation but shall be reimbursed for travel expenses.
 - Outlines the duties and responsibilities of the board.
 - Requires the Department of Health to implement provisions outlined in the bill.
- Earmarks \$83,000,000 in funds from the health reserve account as follows:

<u>Amount</u>	<u>Program Description</u>
\$32,000,000	Tobacco use prevention and education programs of which \$15,000,000 is for School-Based programs and \$17,000,000 is for Community Based Programs
\$10,000,000	Research regarding tobacco addiction, prevention, and treatment
\$5,000,000	Tobacco Use Cessation Program
\$3,000,000	Statewide Counter-Marketing Campaign
\$1,000,000	Funding of The Prevention of Youth Access to Tobacco

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\$30,000,000	Act of 1994 and a grant writing center
\$1,000,000	Reimbursement for uncompensated tobacco related illness care provided at certain targeted hospitals
\$1,000,000	Direct Grants to Programs Approved by the Board
	Direct Grant to establish or support a Tennessee Lung Center

- Authorizes the Tennessee Local Development Authority Board to issue bonds secured by a pledge of \$1,000,000 from the agricultural reserve account. Proceeds from the bond issue shall be used to fund planning and design costs of a veterans home to be located in East Tennessee. Revenues in excess of necessary operating costs received from the operation of the new veteran's home shall be returned to the TLDA Board and used for bond repayment.
- Provides this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.
- Specifies the monies for expenditures under this act are intended to be and shall be in addition to all funds that are being expended on the particular programs at the time this act takes effect.
- Directs the Comptroller of the Treasury to conduct a maintenance of effort audit to ensure that no funds are shifted knowingly or unknowingly.
- Creates the Tennessee Tobacco Settlement Agricultural Development and Educational Financial Assistance Act.
- Authorizes the Tennessee Local Development Authority(TLDA) to issue revenue bonds and notes and make the proceeds available for purposes of establishing and fostering agricultural development and educational financial assistance programs and similar activities authorized by the board and secured by funds from the agricultural reserve account created in TCA 9-4-5501.
 - Further authorizes the TLDA Board to implement provisions outlined in the bill.
 - Authorizes the TLDA, with the assistance of the Department of Agriculture, to award grants for 2 distinct areas: (1) Agricultural Development Program and (2) Educational Financial Assistance Program.
- Creates an Agricultural Fund Advisory Board whose purpose is to advise the Commissioner of Agriculture on issues related to the design, implementation and operation of agricultural development programs and educational financial assistance programs funded by revenues held in and deposited to the agricultural reserve account.
- Requires the Department of Agriculture to implement certain provisions which are outlined in the bill.
- Requires an audit to be performed by an independent certified public accountant, subject to the approval of the Comptroller.
- Provides this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

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- Specifies the monies for expenditures under this act are intended to be and shall be in addition to all funds that are being expended on the particular programs at the time this act takes effect.
- Directs the Comptroller of the Treasury to conduct a maintenance of effort audit to ensure that no funds are shifted knowingly or unknowingly.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$350,000,000

Other Fiscal Impact - Earmarks funds received by the state pursuant to the Master Settlement Agreement, estimated to exceed \$350,000,000 in FY00-01, to implement provisions outlined in the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

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